Murray Hunter

Malaysia's DEEP CORRUPTION

The evolution of the Malaysian Deep State

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An introduction

Democracy to survive and fulfil its role to safeguard and protect the people, needs vengeful transparency and transparency demands people who are willing to unveil all forms of corruption whatsoever deep they might go, whatever or whoever they might have infiltrate.

Murray Hunter is a researcher, a researcher with an academic base who knows that despite the dark veils and obstacles, only facts and truths bring understanding not only of the damage done but also of the necessary solutions.

Malaysia is in a vital point. The world is changing fast and even a pandemic managed to put a crucial mark in this change. And while the world is changing Malaysia drowns in Symplegades, compressed between a corrupted political and social schemes and a venal dark state.

Murray Hunter's research into Malaysian corruption goes deep into the 'whats' and 'whys' believing and hoping that they will lead to 'hows' Malaysia can jump over the deep dark obstacles that hold her back, and become the rightful player it deserves to be into the South East Asian geopolitical chessboard.

Ovi Magazine Publishing and I personally, always feel honoured to bring out a book from Murray Hunter, especially one that can be surgically important to the future of democracy in Malaysia.

Thanos Kalamidas

Is there a Malaysian Deep State?

What it looks like

There has been much discussion about the existence of a deep state within Malaysia. This essay looks at its components. The deep state is not a unified and coordinated mechanism. It is heterogeneous and diverse. It is probably only bound together by a common narrative, sometimes interpreted differently. At different points of time, different aspects of this deep state exercise more power over the others. Other times, there is even conflict between the various elements.

Below is a description of what Malaysia's deep state may look like.

The Special Branch

Malaysia's Special Branch, a secretive division within the Royal Malaysian Police force (PDRM), has functioned as one of the country's most covert units, or did until earlier this year, when the human rights NGO Suhakam accused it of being behind the disappearance of two social activists, Amri Che Mat and Pastor Raymond Koh.

The new Director General of Police, Abdul Hamid Bador, denies the accusation, claiming that the unit has no operational capabilities. Nonetheless, the accusation shines a light on a shadowy organization that had its beginnings as an intelligence unit established by the British after WWII to primarily gather human intelligence (HUMINT) on the communist insurgency throughout North Borneo and Malaya as well as spying to counter the growing Communist influence as well as watching the Singaporean trade union and political movements. A third important task was to undertake surveillance and infiltrate the Chinese triads operating in the towns throughout Malaya.

As a colonial creation, it has never been legitimized by act of Parliament, It has, no public charter,

and reports neither to the National Parliament or the executive. It became an arm of the police organizational structure with a director who reported to the Director General of Police (IGP). The only indication of its mission and objectives are on the police website, stating that it is "responsible for collecting and processing security intelligence to preserve the law and order of the public and maintain Malaysia's peace and security."

Today it conducts surveillance, intelligence gathering, and infiltrations that span all aspects of Malaysian society including religious organizations, mosques, churches, and temples, Chinese schools, universities, the state and federal civil services, government agencies, local government, trade unions, NGOs, media organizations, social activists, and even Royal households.

Special Branch attends many public gatherings, press conferences, and events where there are people of interest. Both opposition and government members of parliament are kept under surveillance. It has expanded from just utilising HUMINT gathering and now utilizes all the tools of modern electronic intelligence gathering, with sophisticated cyber abilities.

A former officer who wants to remain anonymous told Asia Sentinel writer that during the first Mahathir era in the 1990s, his responsibility was to film and photograph cabinet ministers and state chief ministers in compromising situations which could be utilized as a lever against them if necessary at some future point. The ex-officer went on to say that a number of guest rooms in hotels around Malaysia have been set up for this specific purpose, making it intriguing that recently Mohamed Azmin Ali, the former Selangor chief minister and current minister of economics, was allegedly surreptitiously filmed in a homosexual liaison by unknown actors.

Politicians from Sabah and Sarawak are of particular interest due to the sensitivities about succession from the Federation. Just recently Parti Warisan Sabah, a member of the Pakatan Harapan government, announced publicly that they would ban SB officers from their press conferences. However, Abdul Hamid Bador, formerly the agency's director, said it is the SB's prerogative to send in their people to press conferences despite the ban.

The unit has even been involved in royal household politics, choosing sides in a power struggle within the Kelantan Royal household in 2010 by re-

portedly ambushing the then-Sultan Ismail Petra on the road to prevent him from travelling to Singapore for medical treatment and restrained him in hospital.

The SB's Political Division monitors the political climate and regularly undertakes its own polling. Its officers actually knew that the Najib government would most likely lose GE14 when that was by no means clear to political analysts. However, we will never know what role it played during the election and transition.

However, the warning that Abdul Hamid Bador gave to Najib when he was dismissed as deputy director and mothballed within the Prime Ministers Department before the election may in retrospect be very telling. The Political Division conducts propaganda and misinformation campaigns.

During the first trial of opposition leader Anwar Ibrahim for sodomy, the then director Mohamed Said Awang told the court the Special Branch had conducted 'turning over operations' to change the political views of targets. Wikileaks revealed correspondence between Australian and Singapore security agencies in which the Singapore agency told the Australian agency that the allegations against Anwar were true and result of a 'honey trap' set up.

Activities are not restricted to Malaysia. Officers are found in countries where Malaysians are studying including Australia, New Zealand, UK, Germany, Ireland, the United States, and Egypt. SB officers monitor the activities of Malaysian students and also use the opportunity to groom and recruit potential informants, where those students on scholarships will be future civil servants. Officers usually work independently of Malaysian consular missions, although some officers may either work within the consulates or are the consul in charge of student affairs.

The SB also operates in Thailand, especially the southern provinces. Another SB officer who also wished to remain anonymous told me the main focus in Thailand was to monitor Malaysian criminals and Islamic sects with Malaysian connections. The officer also said that if the SB wanted to capture their targets, they would abduct and take them straight across the border. These extrajudicial renditions are usually carried out on those wanted in Malaysia and using Thailand as a safe haven.

The Malaysian and Singaporean special branches (ISD) have very close relationships. A Malaysian officer once told me the Singapore SB are "their brothers," which allows Malaysian SB influence to flow

down into Singapore. Time Magazine reported that the Malaysian special branch knew Sarawak Report editor Clare Rewcastle Brown had planned to visit Singapore and had arranged for their Singapore counterparts to arrest her upon arrival.

The SB uses the Security Offences (Special Measures) Act 2012 (SOSMA) which replaced the infamous Internal Security Act (ISA) as a platform to arrest and interrogate people of interest. Although hundreds of suspected terrorists have been arrested and held under SOSMA, the Act has also been used to arrest and hold civil rights activists, including Maria Chin Abdullah of Bersih.

This is purely political. Other detainees under SOSMA/ISA have included politicians Anwar Ibrahim, Lim Kit Siang, Jeffrey Kittingan, Karpal Singh, Michael Jayakumar, Lim Guan Eng, Mohamed Sabu, and Teresa Koh.

According to ex-detainees the special branch methods to interrogate suspects include stripping them, forcing them to stand for long periods of time in the cold, intimidation, threats against families, isolation in spotlights or darkness, sleep, food and water deprivation, 'good cop, bad cop' routines, and truth drugs. The aim is to make the detainees com-

pletely dependent on their captures to break them down mentally.

Detainees have no right to lawyers, no right to judicial review, or other legal recourse. The SB itself has no known system of checks and balances, which leads to abuse. The 2005 Dzaiddin Royal Commission into Police Reform found that many SB actions fall outside the law. Interrogations also contravene the 1984 UN Convention Against Torture, a treaty which the Malaysian government has refused to ratify.

Mahathir as Prime Minister has always been close to the Special Branch. In 1987 he cracked down on his critics in what was known as Operation Lalang, rounding up more than 100 politicians, social activists, academics, students, artists, and people seen as being critical of the government. The prime minister's hold over the unit is just as strong today with his staunch ally Abdul Hamid Bador, the newly appointed IGP. Mahathir in support of the SB was dismissive of Suhakam's findings about the abduction of Pastor Koh.

This is in stark contrast to former Prime Minister Najib Razak's experience. Suspicious of the SB is that it built its own security apparatus from the Malay-

sian External Intelligence Organization, known as ME10. Building ME10 up to more than 1,000 operatives, Najib bypassed the SB. The charges against the former Director-General of ME10 Hasanah Abdul Hamid for misappropriation of election funds can be seen as payback for the letter she wrote to the CIA before Najib lost the federal election last year.

Today, the SB has a budget of more than RM500 million, which doesn't include the slush funds it has to run secret and sensitive operations. Over the last decade SB staff have more than doubled to over 10,000. This doesn't include 10-15,000 informers that the SB is handling across the country. This represents about one SB operative to 1,500 citizens, a ratio not unlike the old East German secret police, the Stasi.

Rather than use sodomy to destroy an adversary of Mahathir, ironically the SB is now using misinformation dissemination, aka 'deepfake' to protect a Mahathir ally. Many more clandestine operations to handle the transition are certain to follow.

The SB is now in the hands of a person who has used it before to blackmail, silence, incarcerate, and detain his critics. If Malaysia aspires to be a true democracy, then the SB is totally out of control. Who

is a subversive or terrorist is left for the SB to decide. Extra-judicial abductions are unconstitutional. Many detainees have been prisoners of conscience or prisoners for their religious beliefs.

The Monarchy

The investiture of Pahang Sultan Abdullah Sultan Ahmad Shah as Malaysia's 16th Yang di-Pertuan Agong, or King, shined a light on one of the world's most unusual royal institutions, with the county's eight sultans and one Raja rotating the kingship between them every five years.

The institution is based on nine old Malay states that came together with two of the Straits Settlements, Melaka and Penang, (and later with Singapore, which was expelled in 1965), Sabah and Sarawak to form the Federation of Malaysia. Official histories of the royal families have been shaped to show the monarchs as heroic and legendary.

Malaysian royalty is technically a constitutional monarchy. Yet the monarchy is at the apex of an ancient Malay class-based authoritarian feudal system with all its artefacts, ceremonies, customs, and language. To some degree, Malaysia can still be seen as a patriarchy rather than a democracy.

There is occasional criticism of royal behavior. Mahathir during his first stint as prime minister used public sentiment to limit their powers in the 1990s. However, there is very little public questioning the legitimacy of the royal institution today, even though considerable government expenditure is required to maintain the monarchy.

The Malay monarchy is embedded deep within the Malay psyche, giving them patriarchal authority. The sultan is head of Islam in each respective state as well as defender of Malay and indigenous rights. The rise of Ketuanan Melayu narratives after the New Economic Policy was introduced has strengthened the monarchy's position even more.

There is a degree of absolute power in the hands of the monarchs that doesn't devolve to other constitutional royal families. They can appoint a chief minister from their respective state assemblies without their picks being tested. They have used these powers to appoint the chief minister they want over the candidate from the largest party or coalition in the state assembly. Terengganu in 2008 saw a political impasse when the sultan insisted that Ahmad Said be chief minister over UMNO's choice Idris Jusoh. In Perlis in 2009 the Raja refused to swear in Sha-

hidan Kassim as chief minister and swore in Md Isa Sabu instead. In Selangor 2014 in what was called the Kajang move, the Sultan refused to appoint then-opposition leader Anwar Ibraham's wife Wan Azizah as chief minister, picking Azmin Ali even though he didn't have apparent support from the majority of assembly members. In Perlis 2018 the Raja swore in Azlan Man as chief minister, even though the ceremony was boycotted by assembly members who supported Ismail Kassim.

This also extends into advice from the chief minister where in 2009 the Perak Sultan refused then chief minister Nizar Jamaluddin's request to dissolve the assembly after three members of his government defected.

In addition to appointing the chief minister, Sultans also have the right to appoint top civil servants. In 2011 the Sultan of Selangor confirmed the appointment of Muhammed Khusrin Munawi as Chief Secretary even though the then Chief Minister Abdul Khalid Ibrahim and his executive council opposed the appointment. The Agong delayed affirmation of Tommy Thomas as Malaysia's Attorney General and the Chief Justice for more than two months.

Bakri Musa was critical on the role of the Agong in the transition after GE14 which left Malaysia without a government for a number of days when the swearing in of Mahathir as Prime Minister was delayed.

The monarchy's influence over the political arena extends well beyond appointments. The government had to back down on ratifying the Rome Statute when the Johor Sultan argued that the treaty on crimes against humanity, genocide, and war crimes would undermine Islam, the Malays, and the monarchy.

The Johor Sultan ordered the state assembly to ban e-cigarettes in 2015 and unilaterally banned vaping in Johor in 2016.

The monarchy has enormous informal power. Sultans hold regular weekly meetings with their executive councils, providing an opportunity each week to give views on the running of the state to the chief minister and executive councilors. Insiders have told Asia Sentinel that Sultans are generally very forthright on what they think is best for the state.

Sultans make regular visits to federal and state government departments, agencies, universities, schools, colleges, police and military stations, mosques, and

organized events around their states meeting with politicians, civil servants, academics, police, military personnel, and people generally. Most also hold both formal and informal sessions at the palace where state business is often discussed in small informal groups. They ensure civil servants know their line of thinking, which sometimes is much more powerful than directives given by the state executive.

The majority of members within the civil service are very loyal. In each state a select group of civil servants, academics, medical doctors, police, military form what is called by insiders as the "A Team". These groups are very fond of royalty. Each member personally knows the sultan and his family members on a close personal basis. These "A Teams" network through common alumni such as the elite Malay College in Kuala Kangsar which extends nationwide with people who share the same sense of purpose.

The Sultans are also patrons of traditional Malay martial arts or silat organizations in which members have cross-memberships with Malay rights organizations such as Perkasa, and Perkida. Organizations like Perkasa were opposed to the ratification of the UN International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) on the basis that it would threaten Malay rights.

Section 44 of the constitution places the Agong beside the Senate and House of Representatives with responsibility for legislative power. Some loyal groups see the Sultan as the absolute law, more trustworthy than politicians who come and go. Article 153 of the Constitution gives the Agong the power to safeguard the position of the Malays (and indigenous peoples). A strong sense of Malay identity maintains the traditional feudal cultural environment which has a long history.

This is a continuation of the long-standing social contract between the Sultan and the Rakyat (people), something that existed long before the formation of Malaysia. This can't be seen at a national level but is extremely important at the state level.

Thus, in the eyes of many government servants, loyalty to "Tuanku" overrides loyalty to the democratically elected government.

The Agong is also the Commander in Chief of the Malaysian Armed Forces. Sultans hold military ranks, are ceremonial commanders of military regiments, chancellors of universities, and patrons of various organizations.

Traditionally Prime Ministers have been lenient with the monarchy. The first Prime Minister was a

member of the Kedah Royal Household. Both Najib Razak and Abdullah Ahmad Badawi tended to be subservient and allowed the monarchy a lot of business concessions.

Anwar Ibrahim has placed importance on building his relationships with the royal households since his release from jail last year. He also wants the Federal Court to declare null and void the Federal Constitution provision that allows bills to be automatically passed as law in 30 days, without the King's assent. Mahathir brought in this provision to curb Royal power in 1994.

The Malaysian Communication and Multimedia Commission (MCMC) actively watches social media for any criticism of the monarchy. The Sedition Act which Pakatan Harapan promised to abolish is being used as a proxy lese majeste. Islamic preacher Wan Ji Wan Hussin recently had his jail sentence increased on appeal for criticising the Sultan of Selangor seven years ago. Ahmad Abdul Jalil was arrested for allegedly ridiculing the Sultan of Johor through social media. Constitutional Law Professor Abdul Aziz Bari was pressured to resign his university position and received death threats after he made comments about the monarchy. The police generally in-

timidate anybody who discusses the monarchy by hauling them up for questioning as the recent Fadiah Nadwa Fikri case shows.

PKR parliamentarians are still calling on the police to investigate alleged seditious comments in the press discussing royalty. The Pakatan Rakyat Government is planning even more draconian legislation that will provide even harsher penalties for criticism of the monarchy.

The monarchy is the nexus between the state Islamic apparatus and the Special Branch and has been able to push back criticisms of JAKIM and calls for reforms. After the Mahathir era, the monarchy should be able to return to the understanding it has with the Special Branch, particularly with the numerous people they have nurtured into the force's rank and file.

How much power and influence the institution will yield will greatly depend upon the nation's social and political evolution. A lot will depend upon how future Royals conduct themselves behind the scenes and present themselves in public.

The Islamists

Soon after Mahathir Mohamed became Prime Minister in 1981, he embarked upon bringing Is-

lam into Malaysia's government. He opened an Islamic university, started an Islamic banking sector, strengthened Islamic jurisprudence and centralized Federal Islamic affairs under the Prime Minister's Department.

Thirty-eight years later, that has created an unassailable Islamic bureaucracy that is independent of the executive branch, with their own sources of funds in addition to federal and state budget allocations. Elected governments, even under a new reformist Pakatan Harapan coalition that drove out the United Malays National Organization and the component parties of the Barisan Nasional, do not dare to cut down the size of the Islamic bureaucracy due to the potential political outcry that would follow from ultra-Malay-Islamic groups across the country.

This is a radical change from the country at its birth in 1957, when Tunku Abdul Rahman, who loved horse-racing and Scotch whiskey, was the head of state and entertainers like P Ramli dominated the movies whose audiences included miniskirted teenagers.

With or without Mahathir, the Islamic resurgence began in the early 1980s where ethnic Malays, thrilled with the Islamic wave created by Ayatollah

Khomeini that humiliated the west in Iran, were becoming much more religious, with Malay social codes becoming much more observant of Islam. More women began covering their heads, Arabized dress started becoming synonymous with Islam and the Malay language itself was becoming Arabized.

An astute Mahathir saw this being translated into growing support for the rural-based Parti Islam se-Malaysia or PAS. In 1982 Mahathir recruited the popular Anwar Ibrahim, who was president of the Malaysian Islamic Youth Movement (ABIM) into his party UMNO to strengthen his Islamic credentials. Anwar moved through the senior political ranks very quickly, becoming Youth & Sports Minister in 1983, Agriculture Minister in 1984, Education Minister in 1983, Finance Minister in 1991, and finally Deputy Prime Minister in 1993.

Mahathir was able to decimate PAS in the 1986, leaving them with only one parliamentary seat although PAS rebounded and wrested the Kelantan state government from UMNO in the 1990 general election and has ruled it since.

The Malaysian Constitution specifies that Islam is the official religion of the nation, although freedom of religion is also supposedly guaranteed. In

addition, under the constitution, ethnic Malays cannot convert to any other religion unless the Sharia Court grants permission, which is unheard of. Islam is a matter for the states to regulate and each head of state, raja or sultan is also the leader of Islam. The Yang di-Pertuan Agong or king is the head of Islam in the Federal Territories and states which don't have a royal head of state.

As Islam is a state responsibility, each state has a Multi Department which issues fatwas based on interpreting the Quran, Hadiths, and Sunna, maintains mosque operations, and identifies and controls the spread of deviant Islamic teachings. State Islamic Departments are responsible for family law, mosque maintenance, Sharia enforcement, education, and general Islamic affairs. Each state will also have an agency and Islamic foundations which invest in Islamic insurance, Islamic education, and the spending of Zakat monies. The operations of these business arms are substantial, and the control of Zakat monies creates massive outreach into the community.

Although each state government has an executive council member responsible for Islamic affairs, the Mufti and State Islamic Departments tend to run autonomously without political interference.

During Mahathir's first tenure, the Division of Islamic Affairs was upgraded to the Islamic Development Department of Malaysia (JAKIM). With a Director-General in charge, JAKIM became responsible for Islamic affairs in all Federal Territories. JAKIM's aim was to maintain the purity of Islam and Islamic teachings, coordinate law enforcement, and oversee Halal regulation. Within JAKIM is the National Fatwa Council made up of state Muftis and an additional five Islamic Scholars selected by the Conference of Rulers. Once a fatwa was approved by the Conference of Rulers and gazetted, it becomes legally binding within the Federal Territories.

Fatwa decisions are based upon the principle of collective decisions (Shura) of the Fatwa Council. They are opinions based upon the Islamic texts and advice given to the council. In effect, Fatwas cannot be challenged although there have been many cases of contradictory fatwas issued by various councils, where on occasion they have also been contradictory of the Federal Constitution.

JAKIM and the state religious departments have strong connections with the police. This relationship is outside the control of ministers and state executive councillors. The Selangor Islamic Depart-

ment (JAIS), for instance, conducted raids with the police in 2014 on the Malaysian Bible Society that were embarrassing for the then-opposition Pakatan state government in Selangor.

These massive state and federal bureaucracies are directed by unelected bureaucrats and muftis. Their modus operandi based their interpretations upon the Quran, Hadiths, Sunna, and Fiqh texts, which cannot be challenged. The royal connection due to the Sultans and Yang di-Pertuan Agong being the heads of Islam takes away any accountability. Any attack upon the actions of the Islamic bureaucracy can easily be deemed an attack upon Islam and royalty itself.

This tenure with royalty is also mutually serving both parties' interests. State Religious Departments and the rule of 'Islam' are protected by Royal patronage and royalty is protected by its position as the head of Islam.

The nexus here is Islam-Royalty-Malay Rights which is a completely unchallengeable platform, enabling agendas to be carried out that are not even trusted to the political parties of the country. This is the core of the deep Islamic state within Malaysia. A massive group of civil servants is loyal to this philosophy rather than flag and modern nationhood. This

is an almost unmovable barrier to any sense of secularism.

This deep Islamic state is ever increasing its powers, aided by the previous deeply corrupt government headed by Prime Minister Najib Razak, who saw in embrace of religion a bulwark against a secular insurgency spearheaded by the opposition. It worked for a long time.

Imams in mosques have long been forbidden to present their own speeches for Friday prayers as they are forced to read state prepared texts. JAKIM stopped non-Muslims using the Arabic word 'Allah' in 2007. JAKIM treats the LGBT community as deviant. The deep state prevented the federal government ratifying the ICERD treaty on anti-discrimination. JAIS acted against a forum on Malay women's rights to not wear the hijab. Now JAKIM is opening a new special unit to investigate insults to Islam.

The disappearance of Pastor Raymond Koh in 2017 was found by the Malaysian Human Rights Group Suhakam to have been undertaken by the state. The further disappearances of Pastor Joshua Hilmy and his wife Ruth, converts away from Islam, and that of Amri Che Mat, a Muslim activist abducted by masked men in SUVs in Perlis, remain unexplained. Mahathir remains publicly unperturbed.

This Islamic state has turned Islam into an authoritarian and totalitarian tool for control of peoples' daily lives. Malaysia has become a pseudo-theocracy where anyone with opposing views will be pursued and prosecuted. Anybody giving a talk on Islam requires a permit.

Soon after the Pakatan Harapan victory last year, calls by a group of eminent Malays known as the G25 were made to the Conference of Rulers to review the functions of JAKIM. This was resisted. Mahathir announced in July 2018 that there would be an inquiry into the functions of JAKIM and was attacked by the Malay Rights group Pemantau Malaysia Baru, led by Lokman Noor Adam. Until now there is no sign of any report.

When Pakatan Harapan first came into office, Mujahid Yusof Rawa, the minister responsible for Islamic affairs, tried to reel in JAKIM's enforcement activities, but after criticisms have backed off. Islam mixed with politics and the philosophy of *Ketuanan Melayu* (Malay supremacy) has brought many skewed discussions about Islam.

There were other strong forces, an influential fifth column led by Perlis Mufti, Dr Mohd Asri Zainul Abidin, popularly known as Dr Maza, with a close

relationship to both Perlis politician Shahidan Kassim and the royal household. This influence blossomed under the PH time in government. Prime minister Muhyiddin Yassin met with Dr Maza before forming his cabinet, seeking support of a group called the Alumni, made up of graduates from local and Middle Eastern universities in Saudi Arabia and Jordan, as well as UK graduates, who return home and join the civil service, armed forces, religious organizations, schools, and universities, some of whom now enjoy prominent positions. They dominate the Fatwa Councils, JAKIM, and some state religious administrations. Many within the alumni are highly intelligent, articulate, well educated, well connected, and don't necessarily disclose their true beliefs and inclinations in the interests of exerting influence over other peoples' ideas. This group also protects the image of the movement. According to a MAIPs insider, every member of the alumni is given a dakwah allowance of RM5,000 per month, increasing over time, which is in addition to the salaries they earn in their employment, primarily funded by Saudi monies.

Their influence can be seen with what former education minister Maszlee Malik did within Malaysia's education system, i.e., appointing Salafi sympathiz-

ers and members of Pertubuhan Ikram Malaysia to important public university posts, until former prime minister Mahathir Mohamed sacked him. Like Maszlee, the current minister within the Prime Minister's Department for Religious Affairs, Zulkifli Mohamad Al-Bakri, according to a number of sources has strong leanings towards this group.

National debate about important Islamic issues is strongly inhibited. Issues relating to ethics, social justice, equity, corruption, the alleviation of poverty, education, and racial tolerance from any Islamic perspective are glossed over in favor of more trivial issues that hold the Malaysian narrative captive today.

Within this framework there is little real debate regarding social, spiritual, and the economic evolution of what Malaysia should be. The paradox is that there is actually little Islamic influence upon policy and decision-making within administrative government. The agenda and tight grip on bureaucracy and the executive are too hard to undo. Both Anwar and Mahathir helped to create this deep Islamic state. When they are both gone, this is the legacy the people of Malaysia will be left with.

The Civil Service

The Malaysian civil service, which grew out of the old Malay states and British Malayan administrations into a multi-tiered and diverse group of ministries, departments, and agencies at federal, state and local government levels, has lost the luster that once characterized it, becoming an unresponsive government unto itself within the government.

The civil service is primarily mono-ethnic, which doesn't reflect society's diversity, having devolved into a one-dimensional organization whose insular single-track thinking presents a barrier to ministries finding the best solutions and/or new approaches to problems and issues.

Changing Malaysia's policymaking malaise is totally dependent upon the reform of the civil service. The reality is that the civil service is more powerful than the executive government. Changing governments is possible through the ballot box, but changing public policy is another thing.

Although three separate administrations have held the reins of Malaysia's government over as many years, they have one thing in common. While their narratives have been vastly different, all three pur-

sued in practice the same public policy framework. It hasn't really mattered who governed Malaysia, policy has been consistent across all successive federal and state administrations, and local government.

At the political level, it's all about slogans and personalities, but at the administrative level governments differ only on emphasis. There are three distinct aspects to Malaysian public policy: the grounded philosophy, the mode of policy formulation, and hierarchy of implementation.

Malaysia as a post-colonial and post-independent economy was strongly influenced by British economic advisers who were close to the Anglophile Malay political elite at the time. The prevailing economic dogma within orientalist academia favored public sector-led development economic theory. The race riots of May 1969 highlighted the need to close the racial wealth gap between Chinese and Bumiputera groups, at the time cited as an underlying source of the violence. The New Economic Policy (NEP) was formulated as a policy to create new wealth within Bumiputera groups to facilitate an economic catch up with the Chinese.

Although the NEP was intended as a temporary policy to be dissolved once bumis caught up, succes-

sive Barisan Nasional administrations transformed it into a political philosophy. *Ketuanan Melayu*, or Malay supremacy doctrine grew out of a reinterpretation of the Constitution mentioning the special position of the Malays. The NEP was its manifestation, and an appealing policy philosophy to the rural Malay electorate. Ketuanan Melayu is evident over all public policy, membership of the armed forces and civil service, places in education, preference to Bumiputeras in business, and even the establishment of high-interest-yielding special investment accounts such as ASN and ASB, exclusive for Bumiputeras.

Former prime minister Mahathir Mohamed and his then deputy, Anwar Ibrahim, pushed for the Islamization of the civil service during the 1990s, which developed a one-dimensional ethnic and quasi-religious culture within a multicultural country. Its informal mission became the Malay agenda.

Since the 1963 formation of Malaysia, the civil service is where public policy is formulated. The Prime Minister's Department is by far the largest ministry, housing the Economic Planning Unit (EPU). The EPU has produced successive five-year national and sector plans covering all aspects of government and the economy. They became the basis of policy, budg-

eting, the allocation of resources and implementation. Each state has its own EPU, which usually works in close tandem with the federal EPU, primarily because, the federal one controls development fund allocation.

Bureaucrats produce these plans. As a consequence, these bureaucrats have wielded great influence, with successive administrations tending to follow civil service advice on most policy issues. Over the past couple of decades, outside parties, including local academics, and later consultants were brought in to assist in specialist areas.

Economic planning, report writing, and implementation began to be outsourced during the Abdullah Badawi administration (2003-2009). This became a very lucrative consulting area, with Najib Razak, once he became minister, immediately establishing the Performance Management and Delivery Unit (PEMANDU) under former politician Idris Jala, who set up the Government Transformation and Economic Transformation Programs. Most policy formation was focused here, with lucrative consultancies dished out to private subcontractors.

The effect of consultants taking over Five-year plan preparation changed the format of these reports

from very detailed to glossy table book presentations. Government policy and plans have lost their substance, degenerating into catchphrase headings with complex and colorful diagrams.

However, politicians through the selection and employment of outside consultants have more influence over the direction of public policy. There is now a large industry of local consultants pitching ideas at ministers for this lucrative work.

The power dynamics between politicians and civil servants is not unsimilar to other countries. The minister is a go-between the prime minister and cabinet and permanent director-general of the ministry. In Malaysia, the prime minister as government leader is usually the most powerful, with individual ministers carrying out his agenda.

A minister's influence over his or her ministry most often depends upon how 'hands on' they are, hinging on the minister's knowledge of his or her portfolio, ability to communicate, persuade and motivate the ministry director-general to follow the political line. Some ministers like former international trade minister Rafidah Aziz, and current minister in the prime ministers' department Mustapha Mohamed are well known for their domination and micro-managing

of their ministries, while others like former minister Noh Omar, tended to leave almost total decision making to the bureaucracy.

Parts of the civil service don't always cooperate with their respective ministers, as the current minister for religious affairs in the Prime Minister's Department is finding with JAKIM, the religious certification department. The Selangor Islamic Department (JAIS) in 2014 conducted raids with the police on the Malaysian Bible Society that were embarrassing for the then-opposition Pakatan state government.

Pakatan leaders have warned publicly that civil servants loyal to the previous government are out to topple the current one. Kedah Chief Minister Mukhriz Mahathir in particular has warned of a 'fifth column' of civil servants supporting the opposition with their own agenda.

In other areas, civil servants act for the direct benefit of their political leaders rather than national interests. Asia Sentinel has learned that officers at the National Registration Department (JPN) in Sabah are issuing identity cards to illegal immigrants. These identity cards aren't connected to the national database. However, the Electoral Commission (EC) will accept them for voter registration.

The Malaysian civil service is not apolitical. The majority of bureaucrats have a Malay-centric worldview. Any policy or decisions that run counter are stalled or blocked, overtly or sub rosa. Malaysia's civil service is strongly Islamized, with an extremely strong culture that suppresses any deviation from accepted assumptions, beliefs, and values embedded with this Malay-centric worldview. When Pakatan Harapan took over the government, ministers found this an insurmountable barrier to implementing reforms.

Although Malaysia's states are sovereign territories, state public policy is generally compatible with federal policy, except on land and religious issues. Politically, prime ministers have controlled who takes up the office of chief minister in states where the same party governs. State dependence on funding is the federal government's dominant lever in influencing state policy. In many cases policy is implemented at district levels through agencies like FELDA, MARA, and KEMAS. With the exception of Kedah, Pahang, and Johor, and Sabah and Sarawak in East Malaysia, states have very small civil services, with federal civil servants seconded to assist in state administration work. In states where opposition parties govern, federal governments have traditionally bypassed state

government, and implemented policy through federal agencies. There have been no elections for local government since 1964. Mayors and local government councils are state government appointees who generally subscribe to state policy directives.

The unexpected win of the Pakatan Harapan reform government in GE14 is a good example how public policy remained almost the same, even though there was a change of government. Although the government created a long-term platform in its *buku jingga* or orange book, the administration almost totally relied upon the civil service to develop policy. This was certainly true in health, agriculture, primary industries, housing, rural development, and defense.

The only exception was education, when then-minister Maszlee Malik, went rogue, micro-managed and implemented his own set of policies which further Islamized the higher education sector, rather than reforming it.

One of the Pakatan Harapan administration's greatest mistakes was the failure to overhaul the public policymaking process. That process is locked into the inertia of developing policy through the ritualization of strategic planning tools done at great

cost. Consultants who are in favor with politicians and top bureaucrats guide these processes to predetermined outcomes. Little change occurs to policy outlooks, just a set of key performance indexes or targets that look good.

Participants have little opportunity to introduce new "out of the box" ideas. The community is rarely approached for input. Policy generation is still very much blinkered and inward-looking, run by the elite civil servants of Putra Jaya.

For example, when Mustafa Mohamed became minister for Agriculture and Agri-based Industries in 2008, he asked the ministry for new thinking to be pursued in the floundering agriculture sector. The ministry was unable to present the then-minister any fresh ideas, due to the insular paradigm it had been working within for so long.

Each successive administration taking on the reins of government has become dependent upon this process for policy development. Different administrations may espouse different political ideas, but policy is still grounded within this same domain.

The policymaking framework has other longstanding structural and dynamic weaknesses. The tradi-

tional dependence on public sector leadership in opening up new economic and business sectors is another such area. Regional economic and business development was made the responsibility of regional corridor authorities who have promoted public-sector and GLC business participation over the private sector and micro-businesses especially.

The Information technology industry was promoted through the Malaysian Communications and Multimedia Commission, and biotechnology through various public sector agencies, leading to massive waste. These initiatives have all basically been terrible failures, leaving behind an ineffective bureaucracy, instead of vibrant sunrise industry opportunities. Public sector interference has actually created unnecessary barriers to entry for innovative start-ups, rather than providing assistance.

Government-linked companies, sovereign corporations, and state economic development authorities have actually restricted, rather than opened the economy. In many cases these agencies create companies which dominate a sector and prevent the private sector from any meaningful market entries. Private start-ups in many sectors rely on political connections rather than new ideas, capital, skills, and

competencies capable of exploiting entrepreneurial opportunity. Creativity and innovation are stifled in sectors like aviation, agriculture, transport, direct marketing, shipping, and logistical distribution.

The policy paradigm is a hangover from the 1960s, designed at a time when the government had to step in as a pioneer in many economic sectors. The successes of agencies like FELDA, FELCRA, UDA, and MARA served as antiquated models for present-day public policymakers to develop the multi-media, biotechnology, and halal sectors with lackluster results.

Many government sector market intervention corporations like the Federal Land Development Agency, which once was vital in rural development and uplift of rural families, now require massive taxpayer funded bailouts. At the state level numerous agencies and special purpose companies also suffer from massive losses. The extent and scope of these losses nation-wide is hidden by poor government transparency in these activities.

Almost 45 percent of Malaysia's budget goes to paying wages and pensions to past and present civil servants. The civil serve directly employs 11.8 percent of the country's total workforce, continuing to grow due to the government's belief in heavy market

intervention. The civil service also serves as a vote bank for Malay political parties, particularly UMNO.

Malaysian politics has always been more about personality, than policy. Malay based parties such as UMNO and Bersatu rely on a Malay identity for survival. PAS relies upon its Islamic identity. They are satisfied and complacent with the civil service as the prime generator of policy. With the electoral system heavily malapportioned towards rural Malay electorates, Ketuanan Melayu as a policy anchor is here to stay. The only way for this to be removed is electoral reform, which is not going to happen.

Just how influential and powerful the civil service really is in formulating and implementing policy in government is best seen with the current Covid-19 pandemic, where Health Director General Noor Hisham Abdullah is calling all the shots without political interference.

The success of the civil service's handling of the pandemic last year has bolstered the image of Muhyiddin Yassin, who was promoted on billboards all over Sabah during the recent state election campaign. The financial support provided to Sabahans during the pandemic made him personally popular. This has also enhanced the position of his Bersatu

party, winning 11 seats as a Malay based party that can potentially challenge the dominance of UMNO.

Transparency and accountability of the civil service is also non-existent. The bulk of the annual Auditor-General's report is not released to the public. Information about state civil services and agencies is extremely difficult to obtain within the public domain.

No Freedom of Information Act (FOI) exists although it was promised. The Official Secrets Act (OSA) has been routinely used to hide information about tenders and other government business. The Whistleblower Act is extremely weak and the government still prefers to intimidate and threaten whistleblowers rather than investigate allegations of fraud and corruption within the civil service. There is still a prevailing culture, that existed even with the former Pakatan Harapan government, that transparency is still a prerogative of government.

Contemporary politicians only really contribute to policymaking through their narratives and symbolism. However, this can come undone very quickly when narratives mismatch policy reality. The 1Malaysia slogan quickly wore out its luster with the electorate when the public saw the same policies in ac-

tion. PH's reformasi didn't happen, partly leading to the government's downfall. Their political staff found it difficult to deal with the mandarins of the civil service. They very quickly learnt they can't make decisions within ministries.

Consequently, politicians in Malaysia prefer to make symbolic gestures rather than dabble in serious policy reform. Changing the name of iconic streets in Kuala Lumpur, as with the name change from Jalan Raja Laut to Jalan Palestin is much easier than abolishing child marriage. Making political statements popular with the Malay rural heartland, and handing out assistance to voters wins more votes than policy reform.

Over time, because of the New Economic Policy promulgated after 1969 race riots and with covert encouragement from superiors, a 'Malay agenda' has developed, designed to cater to ethnic Malays and little else. That has created a collective narcissist, inward-looking, overly sensitive culture within the leadership of the civil service. There is an extremely strong power-distance relationship between superiors and subordinates in which subordinates are not encouraged to question their superiors. Leaders often become self-important.

The culture is male-dominated, with males often uncomfortable and intimidated by female superiors. Issues are politicized. Officers are oriented to achieving "KPIs" – short-term goals --, or developing long-term visions, that won't be met during their career lifetimes, resulting in events and meetings to impress and please superiors rather than specific, concrete objectives.

For all intents and purposes, the civil service is the government. Whether Pakatan Harapan, UMNO-PAS, or something in-between is in power, the civil service will remain the same. There is a much deeper level here below the public hype. Mahathir and Anwar together back in the 1980s and 90s created the culture within the civil service that exists today. So far there is no real evidence to indicate any politicians in government want to substantially change it.

Ketuanan Melayu

The Ketuanan Melayu narrative – Malaysia's Malays-first policy – has enabled an embedded deep state to become the dominant political, social, and economic force in the country. It is the primary tool the power elite have used to justify and cover their actions in pursuing their covert objectives over national policy.

The deep state is a guileful legacy of colonial times. The British built up the persona of the sultans – most of them local warlords -- as a buffer to thwart any potential revolt. Any political movement against the British would be construed as a revolt against them. Further, the British knew that Malays would not challenge a ruler due to strong respect for their sovereign (Daulat) and the mystical aura the monarchs were perceived to possess.

Twentieth-Century communist infiltration of the union movement, and the beginning of the communist insurgency after WWII gave rise to the formation of Special Branch within the Malayan Union police force. Special Branch was Malayanized after independence and has ever since carried out a strong political agenda.

In 1969 the Alliance Government, the forerunner to the Barisan Nasional, was returned to power with a greatly reduced majority. In a boiling political environment, race riots soon erupted in what is known as the May 13 incident. After the riots, Malaysia's first prime minister Tunku Abdul Rahman disappeared from day-to-day running of the country and eventually formally handed over power to Tun Abdul Razak.

Contradicting the official line that the May 13 incident was started by Chinese opposition and the Malaysian Communist Party, declassified British Embassy dispatches indicate that Malay political leaders from within UMNO organized along with police and the army to deliver what amounted to a coup d'état against the Tunku for his perceived pro-Chinese stance.

Not all documents relating to the May 13 riots have been, or are likely to be released by the Pakatan Harapan Government in the near future.

Tun Abdul Razak developed a New Economic Policy (NEP) which was purportedly designed to enhance the economic position of Malays without disadvantaging other races. Rukunegara, similar to Indonesia's Pancasila, was promoted to encourage national unity among Malaysians, and the Barisan Nasional government was formed with a spectrum of parties representing the major races in Malaysia.

Mahathir Mohamed, a Malay extremist politician who lost his parliamentary seat in 1969 to PMIP (the forerunner to PAS) wrote a provocative book The Malay Dilemma. Mahathir took up the old British narratives about the "lazy natives" and argued the

Malays' non-confrontational approach to other races was dispossessing them of their own land. Thus, affirmative action was needed to keep the economy from being dominated by the Chinese.

Mahathir returned to UMNO politics in 1973. PAS became a fierce competitor for UMNO in the Malay heartlands. Article 153 of the Constitution guaranteeing special rights for the Malays (and other indigenous peoples) fueled a much stronger pro-Malay narrative, which became known as Ketuanan Melayu.

The NEP drastically changed the nature of government policy and structure of the economy. State intervention to correct economic inequalities, regulation, license and permit restrictions, were introduced. State mercantilism on a massive scale was developed and the government became embedded within most aspects of the economy. Banks and agencies were utilized to dispense easy loans to Malays.

Although the NEP helped create a Malay middle class, it also created a super-rich Malay elite. There were many other undesirable side effects. An apartheid system was introduced into the civil service, eventually bloating it and making parts of it inefficient. With easy access to loans, Malays became risk

adverse, leading to many business failures and bankruptcies.

Some industries became monopolies or duopolies yielding bumper profits. State enterprises in many cases were corrupt and inefficient and often competed directly with entrepreneurs and SMEs. Equity accumulation became more important than raising incomes, leaving many still in poverty. Licenses and permits fell into the hands of political cronies who rented them out to others for profit.

Cronyism and corruption became the norm. The NEP ended up dividing the country even more and created a deep-seated resentment towards the Malays by other races.

After nearly 50 years of the NEP and its hybrids, distinct covert objectives can be observed.

The NEP has created a class-based neo-feudal society headed by a small elite group. Even though there was a change in government last year, the elite still holds the reigns of power. A kleptocracy has been created, primarily based on rent-seeking rather than innovation. This has maximized the return to monopolists but left a narrowly diverse, inefficient economy that needs urgent overhaul. It has also amassed

great wealth to the elite, with UMNO reported to have over RM 100 Billion in assets alone.

To achieve the above objectives, society has been engineered, the politics of division played out, and a culture of dependence created.

The symbols within Malaysian society today reflect class and feudalism. Royal titles and VVIP rooms in government offices depict feudalistic class distinctions.

National narratives are shepherded by Malay ultra-nationalist groups to continually force capitulation of non-Malay groups in society. This is reinforced by nonsensical attacks on architecture that may resemble a cross on a building, the banning of non-alcoholic beer, the exclusive use of the word Allah for Muslims, and the banning of forums and books.

The Islamic renaissance in Malaysia has been associated with Arabism, so many Malays today appear so visually different than their non-Muslim peers in society.

Hantus or bogeymen have been created to unite Malays against others in what can be professed as

hate politics. The narratives of pendatang, attacks on Jews, the reaction against the Rome Statute and ICERD, all serve the purpose to create an aura that Malays are under attack.

A culture of dependency has been manufactured. This is based on the assumption that bumiputeras should be given continuing help because Malaysia is their land alone and that other races are interlopers. At election time politicians use this as leverage for votes in the Malay heartlands, where electoral mal-apportionment makes it the primary electoral battle-ground.

This has been soul-destroying on Malay confidence to the benefit of the elite. Malays have been taught to fear, be dependent, and metaphorically to wait for their savior. Politicians want to project themselves as saviors rather than enablers of society. This will be the psychic battleground for the hearts and minds of voters next election.

The Malay persona of a peaceful village life, cooperation, self-sufficiency, living a within a rich Nusantara culture, where there is amity towards others, once an integral part of self-identity, has been trampled on in favor of unemployment, lack of opportunity, drug abuse and subservience. The middle-class is locked

into debt and a conformity-ridden lifestyle. A large number of Malays still live on bare means, totally ignored by the governing elite in Malaysia's neo-feudal society once their votes have been extracted.

The mythical concept of Malay unity has been reframed to mean that any diverging opinions against the Malay agenda are a threat to unity. Arguing against Malay unity is viewed as disloyalty and even treason to one's race. The mythology of Malay unity is keeping Malays within a psychic prison, stifling self-expression, self-confidence, and self-respect. Society has become super-sensitive to criticism where it's now taboo to discuss many issues, even with a new government in power.

Ketuanan Melayu is still the philosophical basis of all policy making within government today. Members of the prominent elite like Tun Daim Zainuddin stand up from time to time to defend the need for maintaining the NEP, be it in some modified form. The narrative is a fiction designed to keep its perpetrators in power. Those who benefit the most are the ones who shout out about the need for the NEP.

The history of Malaysia has been completely rewritten to suit the elite and preserve the feudal status quo. The British negotiated the Merdeka Constitution

from Malaya with the royals and elite of Malay society, while the voices of the rakyat, the people, were glossed over. Massive national protests and a civil disobedience movement fought against the Merdeka Constitution. Opposition movements proposed a more egalitarian constitution, which was totally ignored by the elite and the British. On 18th June 1948, the British rounded up protest leaders and held them without trial.

Declassification of the May 13 documents would destroy the mythology the government created as the foundation of Ketuanan Melayu. There is a distinct possibility, if the British Embassy dispatches at the time are correct, that many of the elite, some still alive today, would be incriminated in instigating the incident. This is perhaps the real reason the Rome Statute ratification was sabotaged.

Today, Malaysia is chained to this feudal-like society. The last election didn't change that. Ignorance is the key to perpetuating the myths that are keeping Ketuanan Melayu in place, allowing the continuing plundering of the nation that has been going on since British times.

Malaysia is still colonized, just by a different group.

The different races making up Malaysia are kept divided to prevent true nationhood. This is the country's tragedy.

Malaysia: Mapping out the deep state

How the deep state operates and nexus between the actors

The major objective of the 'so called deep state' is to seek, secure, and exploit rent-seeking opportunities, engineered by the players within the 'political-institutional environment'. These 'engineered opportunities' are created through legal monopolies, favouring certain parties, while keeping procurement opaque. Parties within the system protects the players from facing investigation and prosecution, over any charges of abuse of power.

The *'so called deep state'* refers to an *ad hoc* and liquid set of institutions, agencies, crony corporations, and individuals, who are able to act *ultra vires* to the legal system with almost absolute impunity. *'Engineered opportunities'* are legal or illegal activities that are able make profits. The *'political-institutional environment'* relates to the cast of entities that enable the facilitation of profit-centred activities (see figure 1.).

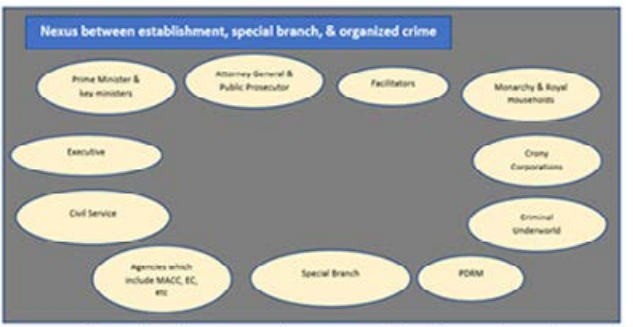

Figure 1: The 'political-institutional environment' or 'deep state' in Malaysia

Major institutions and players

The deep state can be metaphorically described as a moving kaleidoscope of institutions, agencies, corporations, organized crime, cronies, and facilitators that undertake activities aimed towards making profits within the '*political-institutional environment*'.

There is no central leader, no 'big picture' objective, other than the pursuit of profits, at many levels.

The players are described below:

Prime ministers, key ministers, and the executive

The key element of the *'so called'* deep state is the prime minister. The power of others greatly depends upon how the prime minister exerts his own power.

Mahathir was a very powerful prime minister. He pushed the Royal households into a defence position. He had loyalty from the Special Branch. He invented crony capitalism, alongside his deputy prime minister Anwar Ibrahim. He set up a conglomerate of UMNO companies, run by proxies to fund the party.

Abdullah Ahmad Badawi left much of his power in the hands of a group called *"the fourth floor boys"*, led by his son in law Khairy Jamaluddin. Najib Razak set up a sovereign fund 1Malaysia Development Berhad, which resulted in a massive financial scandal, which put Najib behind bars. Najib enhanced the Malaysian External Intelligence Organization (MEIO) to rival Special Branch, which he didn't trust.

Both Najib and Badawi's administration before him, outsourced much government work to consultants to redistribute income towards crony businesses. The balance of power greatly differed between

each administration. A vibrant company consulting for the federal or state government, could go bankrupt, after a change of administration, when incoming prime ministers and chief ministers channelled government business to other firms.

The various ministries are best seen as small empires, where ministers and their political staff have influence over the spending of budget allocations, and contracts. The home minister is a very vital, as both the police and attorney generalare placed under the home ministry.

Political Benefactors

The recently convicted John Soh Chee Wen in Singapore over the Penny stock crash, had been assisting politicians since the early 1990s. Soh helped finance and facilitate with the Malaysian Chinese Association (MCA) until the late 1990s. Soh switched his support to Anwar Ibrahim, after becoming good friends in the late 1990s, supporting Anwar during the early '*Reformasi*' period. It is believed he supported the growth of PartiKeadilan Rakyat during the developing years and even purchased the PKR headquarters building in Petaling Jaya for the party.

Perhaps Malaysia's most infamous benefactors was Koo Tam Yam, one of the four major gangland lead-

ers, nicknamed the '*Heavenly kings*'. Koo is believed to have abandoned his underworld activities and invested in a firm, Caerly HoldingsBhd. Koo is believed to have funded Mahathir Mohamed, Abdullah Ahmad Badawi, and now Anwar Ibrahim. Koo held a large free diner for Anwar in 2018, when he was running for the seat of Port Dickson.

The criminal underground

The criminal underworld is a vital part of the deep state. There is a very strong connection between politicians, the police, and even some parts of Royal households. These are very complex relationships, with intertwining company directorships in many companies, that legitimize the criminal element and launder money.

The activities some of these criminal elements carry out include is the distribution of narcotics, human trafficking, prostitution, employment scams, foreign workers, money laundering, and even counterfeiting. Very few of these operations are ever uncovered due to police complicity, and selective prosecution. A whistle-blower recently described how some of the top officers are taking bribes to prevent investigation.

Facilitators

There are many facilitators who have close relationships with business, Royal households, civil servants, and politicians. These people facilitate what needs to be done in order to connect and coordinate with other players. These include both short-term and long-terms relationships between parties.

The most well known example was the appointment of the former Inspector General of Police (IGP) Mohammed Hanif Omar to the board as an executive deputy chairman for Genting Malaysia Berhad. Hanif was also a director of Binariang, Arab Malaysia Holdings, and a number of Renong companies. Hanif would act as a go-between of parties, and built a private police force for Genting.

Royal Families

The monarchy is based upon nine old Malay Sultanates that came together with Melaka, and Penang to form Malaya. Although, technically constitutional monarchies, the royal households are the apex of an ancient Malay class-based feudal system. To some degree Malaysia is still a patriarchy, rather than a full-functioning democracy.

The sultans (Agong) have much discretion to appoint a chief minister (prime minister), within their respective states. Most of the sultans' selections are not tested on the floor of the parliament and assemblies to confirm they carry a majority of support on the floor of the house.

The monarchy also has a say in important appointments. The YDPA, or king delayed the appointment of Tommy Thomas as attorney general and Tengku Maimun Tuan Mat as the chief justice for more than two months.

The monarchy has tremendous informal power. Sultans hold regular meetings with their executive councils, which provide them an opportunity each week to give their views on the running of the state. Sultans also make regular trips to state departments, agencies, universities, schools, military bases, and mosques. The heads of these state institutions are invited to the palace on both official and social occasions. The majority of members within the civil service are loyal to the sultans. In the eyes of some, loyalty to Tuanku, overrides loyalty to the elected government.

All the royal households have developed their own business empires. Most prime ministers and chief

ministers are subservient to monarchy over issues regarding land and business concessions. Protected forests have been de-gazetted and handed over as concessions to companies linked to royal households. Anwar Ibrahim is expected to behave in a similar manner. During the last Pakatan Harapan government, more draconian legislation was introduced to stiffen penalties for criticism of the monarchy.

Civil Service

The civil service is a major component of the deep state. The civil service plays a role in structure and process facilitation. Most federal budget spending is channelled through ministries and their satellite agencies. Its within ministry procedures that money flows for allocated purposes.

Therefore, political leaders and their staff must rely upon the civil servants within the ministries to direct funds into selected contracts. Through selective special purpose ventures, operated either by cronies or proxies are the beneficiaries of these funds. Getting things done, requires collaboration between people within the political and administrative arms of government.

Within the deep state paradigm, ministries should be viewed at semi-independent empires, which can set up agencies or business subsidiaries. Its within these agencies and business entities that financial activities escape the direct view of the government auditors.

From the financial scandals listed below, it can be seen which ministries are important.

1Malaysia Development Berhad – Finance Ministry
SG Networks – Communications Ministry
Littoral Combat Ships – Defence Ministry
Mysajathera – Health Ministry
ECRL – Finance Ministry
Sabah Gas Pipeline – Finance Ministry
Sabah Solar Panel – Finance Ministry
Scorpene Submarines – Defence Ministry
Port Klang Free Port – Transport Ministry

The Home Ministry is extremely powerful. The liaison with the Royal Malaysian Police (PDRM), and Special Branch has great impact upon the security of the actors within the deep state. This influence depends upon the minister in charge, and the quality of personal relationship with the Inspector General of Police (IGP), and head of the Special Branch. There

is also a belief that extra-judicial activities are undertaken from rogue officers within the PDRM to protect the interests of actors within the deep state. Some of these rogue agents work in tandem with organized crime to undertake threats, blackmail, intimidation, incrimination, humiliation, and even elimination.

The Malaysian Anti-Corruption Commission (MACC), operates under the attorney general, who decides who should be prosecuted by the body. The MACC is not an independent body. Over the last few decades, the MACC has been used to selectively prosecute political enemies of those in power.

How public monies are leaked to private companies is shown in the figure below.

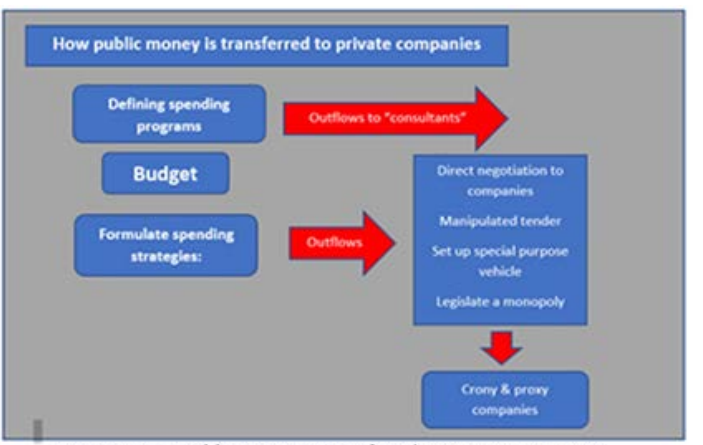

Figure 2: How public money is transferred to private companies.

Special Branch

The Special Branch (SB) is the most secretive division within the Royal Malaysian Police (PDRM). The SB is the nation's premier covert and intelligence unit. Although the former Inspector General of Police (IGP) Abdul Hamid Bador denied accusations the SB has no operational capabilities, it is generally believed to have been behind the disappearance of two social activists, Amri Che Mat, and Pastor Raymond Koh.

Without any public charter, the SB is basically free to operate the way it wants. Being a division within the PDRM, hides the SB even more. The SB has infiltrated most organizations within Malaysia, including federal and state civil services, government agencies, media organizations, and even the Prime Minister's Office.

The unit has excellent relations with most of the Royal households.

The political division within the SB conducts propaganda and misinformation campaigns to influence public opinion. The SB is believed to have good cooperative links with social media platforms. The SB also conducts 'turning operations' to change the views of

targeted people. Wikileaks revealed correspondence between Australian and Singaporean intelligence organization, where the Singapore agency told the Australians that sodomy charges against Anwar Ibrahim was the result of a 'honey trap' set up by the SB.

Today, the SB has a budget in excess of RM 500 million, which doesn't include slush funds to carry out sensitive operations. The SB has more than 10,000 staff, and 10-15,000 informants across the country and overseas.

Crony Capitalists

There are a number of closely affiliated crony capitalists who carry special favour with past prime ministers. They are given special concessions, GLCs on soft terms, granted monopolies, or given special projects. Most of these businesses are rent-seeking activities, which provide bumper profits. Perhaps the best way to describe these companies are Politically Linked Corporations (PLCs), as opposed to GLCs.

The best known crony capitalist is Syed Mokhtar Albukari. The Albukhari Group of companies includes DRB-HICOM, Tradewinds Plantations, and the Bernas rice monopoly. Albukhari was also awarded a lucrative 5G concession by the Ministry of

Communications and Multimedia through ALTEL.

Other politically linked business people include Vincent Tan Chee Yioun, who leads the Berjaya Corporation, and Ananda Krishnan, who controls Astro, MEASAT, and MAXIS.

Former prime minister Mahathir Mohamed, and his then deputy prime minister attempted to create and elite group of Malay billionaires back in the 1990s. There was a host of politically linked business people, which included Halim Saad, who then controlled the UEM-Renang group until 2001, Taijuddin Ramli, who took over and private the national airline Malaysia Airlines, and was bailed out after a few years, and Eric Chia, who drove Perwaja steel to the ground.

Over the years, there have been a number of other business people who were given opportunities. One was Abu Sahid Mohamed and his Maju Holdings group. Tony Fernandez was given a debt ridden failed airline, Air Asia by former prime minister Mahathir for RM 1.

The government was also used to bail out crony business people. Petronas, a GLC, bailed out Mahathir's eldest son Mizan's company, KonsortiumPerkapalan in 1998.

Over the years, many business people had close connections to Malaysia's top politicians, who assisted them in business. After GLCs, PLCs are perhaps the second highest capitalised group of companies within Malaysia.

There is no level playing field in Malaysian business. Even the new prime minister Anwar Ibrahim won't break them up.

Economic Planning Unit (EPU)

The Economic Planning Unity (EPU) five year plan preparation is abused when political leaders force through priority projects, where PLCs will gain the bulk of grants, incentives, and contracts. Five year plans are a major method where funds can be redistributed towards PLCs. The plan to develop the aerospace industry in the 12th Malaysian Plan is one such example. Many projects channelled through five year plans end up as white elephants. The real motivation behind some projects is to profit on the construction and supply of equipment, rather than produce a worthwhile community asset.

The most prized asset of the above system is that power is abused by making laws, manipulating tenders and procurements, and favouring specific firms,

can be undertaken without any accountability. This is the most important source of power the Malaysian political-bureaucracy has. Many of the players avoid any criminal prosecution due to the selective investigation and prosecution the attorney general and MACC make. Even if there is a prosecution, the prosecutors may make such a weak case, the defendant gets acquitted in court.

Conclusion

The deep state is a major reason why the Malaysian economy is primarily based upon rent-seeking activities, rather than innovative based activities. The deep state is holding up any type of deregulation, and not breaking up artificial monopolies.

Its very quickly becoming apparent, the new government will also not intervene in this area.

One of the most powerful bonds of the deep state is the *'school tie'*, and the comradery that comes from it. This comes from a privileged education for the children of the elite Malay class. The belief within some political circles that *'adakuasa, bolehjadi kaya'* (have authority, you can become rich), and *'we are the law'*, perpetuates this deep state culture in Malaysia.

Competition and frictions within the Malaysian Deep State

There is some belief that the so-called deep state is responsible for many predetermined acts in Malaysia. Some believe that the abduction and disappearance of Amri Che Mat and Pastor Raymond Koh were acts undertaken by elements within the deep state. Likewise, the acquittal of Ahmad Zahid Hamidi of corruption charges, Abdul Azeez being granted a discharge not amounting to an acquittal, and Bung Moktar and his wife given a stay from entering a defence on charges of criminal breach of trust (CBT), all on the same day raised conjecture deep state forces were at play.

There is a belief that the deep state is a united homogenous entity which influences the running of government, and policy decisions,with some unity of purpose.

Nothing could be further from the truth.

Traditionally the deep state is defined as a secret or hidden group and networks of groups who are able to yield power and influence upon a country's political leadership in pursuit of a clandestine agenda. The deep state is sometimes referred to as a shadow government, inferring some form of purposeful agenda of interest to the group.

In Malaysia, the components of the deep state are generally believed to consist of the monarchy, elite Malay establishment, the Special Branch, the civil service, and the Islamists.

It is assumed their agenda is a coherent and consistent one, pursuing clear ideological objectives, KetuananMelayu or Malay supremacy being the underlining mission.

However, this is only an espoused mission, where elements within the deep state often pursue conflicting and competing objectives, sometimes blocking or sabotaging other components of the deep state.

Thus, the deep state is often in conflict, in a state of flux, self-destructive, and transformative into mostly weak and short-term alliances.Within these groupings, groups and sub-groups pursue their own agendas and ideologies independently. From this perspective, the concept of Malay unity within the clandestine institutions at the pinnacle of Malay society is not much more than mythology.

This can be clearly seen in the current struggles going on within the Malay political elite. Malaysia has seen three prime ministers over the last 4 years, and a former prime minister charged, convicted, and jailed. Through the political paradigm, all these struggles and sanctions against Najib Razak all fall into the Malay Machiavellian struggle for power and savage retribution against foes.

Such struggles have been witnessed for generations within Malay politics. The May 13 riots can be seen as the catalyst that allowed the engineering of a coup against the then sitting prime minister Tunku Abdul Rahman by young ultraconservative UMNO members, led by Mahathir Mohamed.

The February 2020 Sheraton Putsch when Mahathir resigned his commission as prime minister, leading to the fall of the Pakatan Harapan govern-

ment, allowing for the formation of a Malay-centric government, is a brutal exhibition of competition within the Malay elite for the trappings of power.

In 2010, a palace feud where the ailing sultan of Kelantan was deposed by his eldest son, utilizing house arrest and road police block tactics in the struggle, gave some public exposure of the divisions and feuds within the Royal families. Division by the Royal families is a major factor preventing Najib receiving any possible pardon and release from prison.

Civil servants within agencies and ministries often block or sabotage their ministers, neutralizing their ability to implement policy. Civil servants see their own internal agendas as being more important than their minister's policy plans. Chief ministers often find heavy pushback from their own state civil servants when they attempt to push through their policies. One civil servant told the author they would simply ignore their chief minister's directions unless he repeatedly made the same request.

The civil service has enormous power over both policy and implementation, that is rarely seen by the public. The extent of this power was only seen during the Covid-19 pandemic, where the Director General of the Ministry of Health Noor Hisham Abdullah

took direct control over pandemic response decision making.

The Islamic Development Department (JAKIM) is often criticized for overreach on Islamic issues. Within JAKIM itself, there are power struggles going on. A group of corrupt civil servants are vying for control of the organization, while groups aligned with the Salafi and Muslim Brotherhood movements are engaged in a struggle for influence within JAKIM. Officially, JAKIM is under the control of the Council of Rulers. However, in reality it is supposedly under daily control of the Minister for Religious Issues in the Prime Minister's Department Idris Ahmad. A group referred to as the Alumni has many of its members scattered around JAKIM's hierarchy, influencing its day-to-day operations and internal policy direction.

JAKIM as a department within the Malaysian bureaucracy is in the frontline in the fight for control by rival groups.

The so-called deep state a contentious grouping of people and institutions in competition. One part of this "secret" bureaucracy is not aware of what other parts are doing. When talking about the deep state, one must understand its complexity and decentralization. Consequently, there is no uniform or clan-

destine central secret agenda prevailing. One should rather look at the deep state as a field of competition for power and influence over sections of Malaysian government and society.

This is not to say that the deep state doesn't hold a prominent position of influence in society, influencing much of what happens. This is an area that requires much more study to understand who really holds the power within Malaysia.

How the Malay elite hijacked Malaysia
Malaysia's privileged divide

With the United Malays National Organization, or UMNO back in political power with a firm and dominating position to the other Malay-centric political parties, kleptocratic practices are on the rise once again. The myth that UMNO is the defender of the marginalized Malays is clearly tarnished for all to see. The New Economic Policy (NEP), its derivatives, and the ideology of Ketuanan Melayu, or Malay supremacy have been exposed for what they really are.

The Malay polity and their cohorts once again control government administration and are clearly looking after their own. The rest of Malaysia's citizens have been largely left to fend for themselves. Suffered greatly during the Covid crisis, the establishment have been getting richer. Corruption, enrichment, favouritism, and blatant disregard to the process of law is the signature of this government.

The Ismail Sabri government appears to represent patriarchal elite Malay society. At the centre are long established political families who have been involved in the forefront of political and government, since independence. They have appeased the royal families, which provide symbolic authority to give legitimacy.

This elite is supported by a nexus of political warlords spreading down to the village level across the Malay peninsula. These warlords operate under patronage and in-turn provide a powerbase to the leaders of political families. Then comes a large group of the country's civil servants whose loyalty is to the Malay agenda rather than the government of the day. A professional class running the nation's banks, GLC's, and government agencies have strong vested interests with those of the ruling elites. Finally, the nation's elites have made a pact with the Islamic clerics to create religious legitimacy.

A diverse feudal-like grouping

The Malay establishment is not a unified group. Its an umbrella of different institutions and organizations with varying missions and objectives. Most are in competition with each other for power and influence. Nevertheless, they are politically interconnected, and fall in and out of alliances with each other. Most often, the most powerful interconnections are informal and based on personal relationships rather than ideologies.

The Malay establishment is best seen as being a group of smaller empires that have their own sectional interests. Some of these institutions and organizations include, the Conference of Rulers, individual royal households, the prime minister, Malay-centric political parties, the Department of Islamic Development or JAKIM, the ministry of education, ministry of home affairs, ministry of finance, the civil service, some of the larger GLCs, the armed forces, and the police (special branch). Some more covert organizations like the Alumni, a group of Salafi-leaning Malay professionals entrenched within government and commerce also exercise considerable influence.

This all blends in to form the Malay establishment. The dynamics, interrelationships, and alliances con-

tinually change. For example, there is currently some friction between a number of royal households and JAKIM over the scope and jurisdiction of the later at state level. Relationships appear to be more transactional, than based upon any common visions about the future of Malaysia. Other organizations such as the judiciary, the Malaysian Anti-Corruption Commission (MACC), immigration, and local government are most often tools of the establishment. Any organization or individual outside these groupings is considered outsiders.

UMNO is back as patriarchal head of the Malay establishment once again as it controls the government, GLCs, many of the state governments, and has good relationships with most of the royal houses.

The biggest assets: no accountability, no transparency

The Malay establishment is able to make decisions, implement policies, undertake business, and carry out corrupt practices without scrutiny from the public. Only brave journalists and news portals, most of who have been persecuted and prosecuted were able to expose a number of corruption scandals over the decades in Malaysia. These include Bumiputera Malaysia Finance scandal of 1982, Bank Negara Ma-

laysia's RM32 billion foreign exchange losses during the 1980s and 90s, the French Scorpene-class submarine scandal of 2002, the National Feedlot scandal of 2012, the 1MDB scandal going back to 2012, the Wang Kelian scandal of 2017, and the meat substitution scandal at the end of last year.

These are only the top of the iceberg. There are many other scandals the public doesn't even know about hidden away within ministries, agencies and state government agencies, and GLCs. Most don't come to light because of the harsh treatment of whistle-blowers, and the use of the Official Secrets Act (OSA) to cover up exclusive contracts given to favoured companies.

There is a growing clampdown on press freedom in Malaysia. Online news portals operate in the fear that their licenses won't be renewed or shutdown the then provocative The Malaysian Insider in 2016. Most domestic news portals practice self-censorship due to harsh defamation laws that gravely hinder investigative journalism. Nothing has been officially done to investigate allegations against former Bank Negara Malaysia governor Zeti Akhtar Aziz and family members involvement in the 1MDB scandal.

There is no Freedom of Information legislation, and only scant details of Auditor General reports make public news. The standard operating procedure of government appears to be just allowing embarrassing news about corruption to publicly blow over and be forgotten by the public.

The anti-corruption framework is weak, grossly under-resourced and potential MACC prosecutions need approval from the Attorney General, who is a political appointment.

Many within the civil service caught undertaking illegal acts are not reported to anti-corruption investigators. Many scandals are just swept under the carpet to protect prominent people and the reputation of the institutions involved. This creates the belief among many in powerful positions they will not face any sanctions or justice, if caught out undertaking corrupt or illegal activities.

The cancer of crony capitalism

The depth and extent of crony capitalism practices have been well documented. It extends from Malaysia's largest corporations down to class F contractors or petty traders, where may citizens are trying to scratch out a living.

Over the last 50 years, the establishment has looked after its own. Royal households have been given lucrative timber and other business concessions. Politicians have built up business empires and networks of associates benefitting from inside information and favoritism. A small group of connected businesspeople have been given choice monopolies, concessions, restricted business operating licenses, and allowed to takeover public assets and convert them into private assets by reigning prime ministers.

Crony capitalism is starving any sense of equality of business opportunities in the economy. Companies succeed through connections, not vision, superior products and competitiveness. So much of the economy is restricted to a few, market opportunity is certainly not equal for all. Even existing successful businesses are being forced to devest to Bumiputera equity holders, as was seen with the freight forwarding regulations, requiring companies with operating licenses to have 51 percent Bumiputera equity.

This has resulted in the Malay establishment becoming a class of rent-seekers, taking little, if any risk in their business undertakings. Some of those who fail have been bailed out. Not all Malays are equal. Many Malays themselves distinguish Bumiputeras

from UMNO-putras, who are given unfair privileges. The 12th Malaysia Plan has been framed in such a way that it will benefit the connected, rather than equally among Bumiputeras, and other Malaysians. Malay businesses without connections are most likely to get little, if any assistance.

The ability of the Malay establishment to restrict economic opportunity has assisted in creating a patriarchal society based upon reward and punishment. Malaysia has slipped from the 3rd to the 6th largest economy within ASEAN since 2015.

Tearing down secularism

Although Malaysia has a primarily secular constitution, Article 3 states that Islam is the religion of the federation, but other religious may be practiced in peace and harmony. The supreme governing body of Malaysia is the parliament, which is made up of the Yang Di-Petuan Agong or king, the Dewan Rakyat or lower house, and the Senate or upper house. With the government coming from the lower house by popular vote, government is inferred to be of a secular nature.

The Rukun Negara or national principles is the declaration of a formal national philosophy, pro-

claimed on Merdeka Day in 1970. The five Rukun Negara principles are belief in God, loyalty to king and country, supremacy of the constitution, sovereignty of the law, and courtesy and morality.

However, Malaysia has been heading down an Islamization path since the 1970s. Nowhere has this been more apparent than in the education system. Education has been one of the major contributing factors in creating an Islamic identity within Malays. Over three generation this has led to a greater division of the community, which was up until the 1970s, an inclusive multi-cultural one. The former prime minister Mahathir Mohamed and his then deputy Anwar Ibrahim Islamized the civil service during the 1990s. Syariah laws have been strengthened and the Malaysia Islamic Development Department or JAKIM was formed in 1997 under the Prime Ministers Office to centralise bureaucratic control over Islamic affairs. The freedom of non-Muslims to express their respective faiths has been whittled away over the last two decades.

During the 1990s when UMNOs electoral nemesis was the Parti Islam Se-Malaysia or PAS, Mahathir declared that Malaysia was an Islamic state. Within the public sector, military, higher education, and across

Malay led state governments, most employment positions exclude non-Malays. Even other Bumiputeras were at a disadvantage in career upward mobility, unless they were Muslims themselves. The community gulf between Muslims and non-Muslims is wider than ever. Malays themselves are under strong pressure to conform and be compliant to the exclusionist culture that has been developing over the last two decades.

The dismantling of secularism has enhanced the power of the Malay elite. The authority of the establishment is almost unquestioned today openly. Its not impossible to question the role of Islam in government and society. There is now little separation between Islam and government, with a state defined Islam forced upon the citizenry. Islam in Malaysia is not a spiritual undertaking, but a matter of compulsory adherence.

The great divide

The tangibles from the Malay establishment hijacking Malaysian politics, economics, and society have been to create a land of the privileged. The product of this is the rich are getting richer and the poor are getting relatively poorer. Islam and racial politics have just hidden the real divide, that being of class.

The Malay-centric political parties have been fighting for the spoils of office, while the country is facing health and economic crises. People are becoming destitute, even those who see themselves as middle-class. Many are struggling to even find enough food to eat, while the government through the 12th Malaysian Plan is planning to pump even more money into a bloated bureaucracy, and crony businesses. The 2022 budget has been il-designed to deal with rampant inflation and rising unemployment.

Privilege is the nation's number one enemy. This is the source of corruption, crony capitalism, abuses of power, and denying equal economic opportunity to all in Malaysia. This is the cause of an unprecedented rise in poverty. None of the new political movements or those advocating a reset for Malaysia have even identified this as the key problem to solve.

Malaysia: Permanent Ethnic Malay Polity

Institutions put in place decades ago continue to shape the country's political destiny

The February putsch of the ineffective and sabotaged Pakatan Harapan government by the makeshift flag-of-convenience Perikatan Nasional, which is comprised of an alignment of Malay-centric political parties, is the natural order for Malaysia, made possible by Machiavellian betrayal, a common trait in Malay politics since independence in 1957.

What is very Malay about the grab for power currently underway in parliament is that the change of government was not as a result of a defeat at the polls or on the floor of the parliament, but rather a decision made by the traditional Malay patriarch, the Yang Di-Pertuan Agong – the current king, Sultan Abdullah Sultan Ahmad.

The structure and fabric of Malaysian power are made up of a patriarchal elite Malay hierarchy. At the top are the royal families, which yield a symbolic cultural authority. Next are the long-established political families who have been involved at the forefront of politics and government since independence. Next is a network of political warlords spreading down to the village level. These warlords operate under the patronage and in-turn provide support to the leaders of the political families.

Alongside these groups are lines of Islamic clerics, who create religious legitimacy. Then comes a large sway of civil servants whose loyalty is to the Malay agenda rather than the government of the day and who caused chaos for the multiracial Pakatan Harapan government. Connected professionals and businesspeople complete the make-up of the Malay gentry.

Malaysia, once seen as a multicultural nation, has been incrementally traveling down the path of monoculturalism. In 1957, Chinese comprised about 40 percent of the population. That has shrunk to about 23 percent today. Any ideas promoting a true multi-cultural Malaysia were politically resisted.

One of the founders of the United Malays National Organization, Onn Ja'afar, called for UMNO membership to be open for all races and renaming the party the United Malayan National Organization. That wasn't accepted by UMNO regional warlords, forcing Onn Ja'afar to leave UMNO and form a non-communal Independence Party of Malaya Party in 1951. Lee Kwan Yew called for the discriminatory section of the Malaysian constitution providing for special provisions for the Malays to be scraped, with a vision of a Malaysian Malaysia. Lee fell into conflict with then Prime Minister Tunku Abdul Rahman, with the result that Singapore was expelled from Malaysia in 1965.

The masterpiece of social engineering was the formulation and enactment of the New Economic Policy (NEP), in 1971, in response to the bloody race riots on May 13, 1969, that took hundreds of lives, the nation was socially engineered towards a mono-

cultural state. The formal intention was to bring Malays on par with other races, specifically in economic matters. However, then Prime Minister Tun Abdul Razak and following administrations extended NEP principles across all aspects of society, including, quotas in the civil service, education, the military forces, the formation of special purpose government agencies, and even discounts on buying properties. Positive discrimination for Malays has become deeply institutionalized and has deep influence upon the nature of Malaysian society today.

Three generations of Malays have now been educated through the local system, which has rewritten history to espouse the justification of their special privileges. Islam has been reframed to become a tool of exclusion, rather than a doctrine of social inclusion. The psyche of Malays today is much more insular than it was 30 years ago. Language and greetings have been Arabized, which has separated Malays even more from other ethnic groups. The Malay monoculture is now the norm.

The Malaysian civil service is deeply embedded with Malay cultural practices and ethics. The so-called "Malay agenda" is seen over by an elite *apparat*. The military forces have been purged of ethnic

diversity, and a politicalized reserve of senior officers is in place. Academics and administrative staff of Malaysia's public universities are primarily Malay. Government-linked companies and sovereign corporations like Petronas, Sime Darby and Khazanah are filled with Malay professionals.

The economy is skewed towards favoring Malay interests through monopoly, regulation and the dominance of GLCs in particular sectors. The legal system also appears rigged to favor the elite as was seen in the recent incident in which Riza Aziz, the stepson of the disgraced former Prime Minister Najib Razak, escaped prosecution for his part in the 1MDB scandal. Now the narrative is changing over the Najib case, with the defense are saying public opinion is heavily against conviction despite the loss of US$4.8 billion in the scandal.

There are two streams of Islam that are reinforcing polarization. One is overt, full of rhetoric, the political Islam of the rural fundamentalist Parti Islam se-Malaysia or PAS, inspired by the Muslim Brotherhood. This rhetoric appeals to the souls of Malays, who are all Muslims. Islam is a powerful part of the persona in which any mockery towards Islam is usually framed as an attack on Malays.

A bogeyman has been created, a mythical evil, which is the enemy of Malays portrayed and defended by groups, in the image of the old Malay warriors. A recent Malay Dignity Congress was a rallying of the elite Malays to defend the interests of the weak. The calls to ban alcohol by PAS, and subsequent statements by ministers are overt proclamations of Malaysia's monoculture. Likewise, former deputy prime minister Wan Azizah Wan Ismail, who raised controversy in 2018 over her objections to child marriage, indicated the strong influence of political Islam on Malay society.

Thus, open discussion about special privileges and the Malay agenda is deemed sensitive to Malays. The mythology of the social contract has become sacred. Its manifestation as *Ketuanan Melayu* or Malay supremacy will come down hard, through intimidation, on anyone brave enough to question it.

The second stream of Islam is covert. Individuals who have returned from studying in the Middle East, or UK, have formed an influential alumni always looking to further the cause of Islam within their spheres of influence at the workplace. The alumni have infiltrated the civil service, education system, military, GLCs, and Islamic organizations such as

IKRAM. Muhyiddin Yassin has sought support from the organization's de facto leader, the Perlis Mufti, Dr. Asri Zainul Abidin, known as Dr. Maza.

Since independence, political control has been concentrated within a few elite Malay families. Malaysia's second prime minister Tun Abdul Razak's son Najib Razak was also a serving prime minister and remains extremely powerful within UMNO today despite the 1MDB scandal. Onn Ja'afar's son Hussein Onn became the third Malaysian prime minister. Hussein Onn's son Hishammuddin Hussein is still powerful within UMNO and served as minister for defense, transport, home affairs, and youth and culture respectively. Khairy Jamaluddin, the current defense minister, is the son in law of former prime minister Abdullah Ahmad Badawi. Mahathir Mohamed's son Mukhriz Mahathir was the Kedah chief minister twice and former minister of international trade.

Anwar Ibrahim was deputy prime minister, his wife Wan Azizah Wan Ismail was also a deputy prime minister, while their daughter Nurul Izzah Anwar is a member of parliament. In addition, members of these elite families are intermarried to each other, royalty, diplomats, judges, and other senior Malays. These dynasties also exist at regional political war-

lord level, as is the case with former minister and parliamentary member for Arau, Shahidan Kassim, whose brother Ismail Kassim is involved in local state politics. There is also a mixture of mutual business interests, and opaque influence.

When Pakatan Harapan defeated the Barisan Nasional in the May 2018 national election, part of this elite grouping took power in a different configuration. The administration of the current beleaguered Prime Minister Muhyiddin Yassin is yet just a reconfiguration of the same people. Malay politics is more about the dynamics of these families than about policy and ideology. Malay politics has been primarily about feuds and alliances rather than vision.

These family dynamics pose questions. The Sarawak Report recently claimed that the present finance minister Tengku Zafrul, reportedly a relative of Muhyiddin, played a role with the palace when the king was making a decision on whom to support. The truth of this will remain a secret of the elite.

The grip of elite families on Malaysian politics has squeezed out potential new political talent and leadership. Muhyiddin's cabinet is not based upon meritocracy but rather support, patronage and payback. It's a configuration of political elite and warlords.

There is no shared ideology or vision binding them together.

Structural and institutional factors combined will ensure Malaysia will remain a monocultural Malay state. As Malay birth rates have far exceeded those of other racial groups, the Malays are the dominant grouping in the country. The first-past-the-post electoral system ensures that only representatives with polarized views will win a majority in single-member constituencies. The electoral system is biased against bringing diversity into the parliament.

The two electoral wildcards Sabah and Sarawak have historically shown that political groupings there, also follow patronage politics. Malaysia is really Malaya plus two (Sabah and Sarawak) today. The Chinese-dominated Democratic Action Party has been banished to Penang, which will remain the party's only sphere of influence.

The Malay elite are yet to complete their fight for power. The demise of the Barisan Nasional destroyed the country's political stability, which the multicultural Pakatan Harapan was unable to replace. It was only able to disturb the Malay political paradigm in the 2018 general election due to special circumstances – a vengeful former and future Prime Minister

Mahathir Mohamad on a crusade against a corrupt Najib.

Once again, there will be a fierce Malay political fight in a Malay state over the coming months, with the winner to take all.

How Malaysia's Robber Barons Operate With Impunity

Mahathir and Anwar's legacy

The term robber baron was originally made aware to me by educator and writer Dr Azly Rahman. Robber baron is a derogative US term to describe how the powerful 19th Century American industrialists and financiers made fortunes by monopolizing industries through engaging in unethical business practices, exploiting workers, and paying little heed to the law. These were the elite of the US at the time, and Malaysia has its very own class of robber barons, conceptualized and created by former prime minister Mahathir Mohamed during his first term of office.

Creating a kleptocratic state

Mahathir with his then protégé Anwar Ibrahim turned Malaysia into a crony capitalist state. They attempted to create a Malay entrepreneurial class in a failed feat of social engineering. Mahathir provided selected cronies with exclusive opportunities, licensed monopolies, and exclusive market rights. Some major state assets like the national airline MAS were privatised without transparency, building a rent-seeking rather than an entrepreneurial class. People like Halim Saad, Tajuddin Ramli, Vincent Tan, and Syed Mokhtar Al-Bukhary, just to name a few, were greatly enriched not because of their business prowess and innovation, but simply because being allies to the ruling class gave them market exclusivity.

The same thing happened to Malaysia's government owned corporations or GLCs. These companies are established to enjoy monopolies or near monopolies across many industries, while being managed without much transparency.

The USD 4.5 billion financial scandal of the state-owned sovereign fund 1MDB, according to the US Justice Department funded the financial activities of convicted felon and former prime minister Najib

Razak and his cohorts. This misuse of public funds is only the tip of the iceberg. In fact, focus upon the 1MDB financial scandal has effectively covered up abuses and misallocation of public funds across all sectors of government. Corruption within GLCs and other so called independent agencies are the gravy-train of many ex-politicians and cronies. The sad reality is that most of these scandals never reach public knowledge, as they are hidden and hushed up within government.

This type of patronage is perpetuating a crony economy run by robber barons and their collaborators. On many occasions sovereign funds GLCs like Khazanah Nasional Berhad and Permodalan Nasional Berhad act as lifeguards to bail-out those robber barons in trouble. This happened to Halim Saad's Renong back in 2001, Tajuddin Ramli's MAS in 2000, and even bailed out a failed online lingerie venture. Other GLCs like state economic development corporations assist ruling parties during elections to maintain power.

Mahathir and Anwar's legacy today is an economy, where many sectors are controlled by large corporations, through monopolies, restricted licenses, import permits, and exclusive rights to operate. Ma-

laysia today is full of oligopolies that operate their businesses as rent-seekers rather than astute customer oriented entrepreneurial corporations.

For years buying an imported car was out of the question due to the high import duties levied on cars to protect Mahathir's vision of the national car Proton. Toll fees from secret concessions make travelling by road the most expensive exercise within the region. The capital's LRT system had to be bailed out to keep cronies afloat. The interstate bus system is controlled by cronies. Internet costs are some of the most expensive in the region due to cronyism.

This momentum if not checked with market deregulation, and opening up sectors to free competition will hinder future economic development and diversity.

However, the opposite is occurring. Further restrictions are being applied across a number of industries to eliminate free competition. The freight forwarding industry is the latest sector under attack by the robber barons. Existing companies are being forced to sell out to Bumiputra interests, with the enforcement of race base equity rules. One can be assured, it won't be the moms and pops of the Malay heartlands that benefit from this. The robber barons will move in.

Ministries are mini kingdoms

Malaysia with 27 ministries and even more agencies and statutory bodies can be seen as a network of independent mini-kingdoms. They are ruled by a minister or director general, usually a civil servant, with a sense of absolute power over their respective domains. Where ministries have deputy ministers, certain sections of the ministry fall under the deputy to administrate.

Ministries, seen in the paradigm of kingdoms, goes some way to explaining why a minister is such a coveted position. Likewise, within the states, the Menteri Besar or chief minister has almost absolute authority in making decisions in regards to matters under state responsibility. Land being one of the most important.

For a minister, director general or chief minister to be able to rule with maximum authority, he or she must employ two strategies, sometimes simultaneously.

The first is patriarchy like a feudal lord who works within a hierarchy of influence and loyalty to govern. In order to obtain and maintain loyalty, the ruler must dish out economic opportunities to members of the hierarchy to maintain favour and authority.

The second approach is a Machiavellian one, where the ruler must apply political tactics, both overt and covert to embed their authority over the institution. Many rulers find constant challenges, undermining, and even sabotage against their authority, and hence rule with an iron first.

As prime minister Mahathir Mohamed did just that. He made new appointees sign a blank letter of resignation before taking the position. Mahathir also utilized Special branch resources to surveil, record and even film embarrassing situations that could lead to the end of a political career very suddenly, if they fell out of favour. It's strongly speculated that Anwar and other politicians have fallen into honey traps to keep in check any ambitions of more power.

One of the most powerful enablers within the Malaysian government and civil service is the school tie network. This enables like minded politicians to launch and develop business projects where mutual interest is the same among closely knit groups. The same school tie network protects many of these top politicians and civil servants, as there is a deep culture of protecting their own, no matter what was done wrong.

Once a minister or top civil servant has a friendly environment, many initiatives for self-benefit can be undertaken. These range from promoting major infrastructure development projects where money can be siphoned off through the employment of their own companies as contractors, fixing tenders for selected contractors to win, collecting donations or straight out bribes for positive decisions affecting the benefactors, contracting work out to their preferred suppliers, and manipulating land deals.

A minister's or civil servant's financial interests are held by proxy directors and shareholders. A minister's or civil servant's name will never appear on any official paperwork. Usually a lifelong trusted friend, friend of a friend, or member of the extended family will hold shares and directorships, or trust to them. Sometime sophisticated overseas trust companies might be used, where funds are channelled for retirement.

During the years that UMNO dominated government, ex-politicians and favoured civil servants were appointed to agencies and GLCs to continue running a corporate empire that is far beyond any public transparency. For example, disgraced former Melaka chief minister Abdul Rahim Thamby Chik

held the position of chairman of the Rubber Industry Smallholders Development Authority (RISDA) from 2010-2015, and now is the executive director of the Gagasan Badan Ekonomi Melayu (GABEM).

Ministries and agencies also have mini-feudaldoms

The robber barons at the top also have their minions emulating their examples at department level. Department heads and officers develop different schemes to add to their wealth, according to the nature of their department's scope of responsibilities and work.

This could be as simple as directing all vehicle repairs to a certain bengkel or repairer. Officers may set up proxy companies to supply stationary, service equipment, or even cater for functions. Those departments serving ministers on development projects may even set up project management companies to implement projects. These are wide and varied and amount to the leakage of billions of Ringgit from the government coffers each year.

If the Malaysian Anti-Corruption Commission (MACC) statistics are examined, only a very small proportion, most probably less than one percent are

ever investigated, or face any disciplinary action. Civil servants understand, if they cover their tracks well, and keep favour with superiors, they will never get caught. The current case of Azam Baki, the chief commissioner of the MACC indicates how staunchly Malaysia's institutional system of governance protects their own. There are hundreds of cases of top civil servants under investigation for corruption that led nowhere.

Robber barons control more than 30 percent of the Malaysian economy

The objective of the New Economic Policy (NEP) was to put 30 percent of equity into the hands of Bumiputeras. Sadly, it didn't achieve that, the NEP put 30 percent of the economy into the hands of the robber barons.

The 12th Malaysian Plan has been written to ensure a continuation of this trend. The advocation of setting up an aerospace cluster is just a thinly disguised plan to put more equity into the hands of the robber barons, who already control much of the media, telecommunications, transport, plantation, and other service industries.

The ailment of robber barons controlling sparse

sectors of the economy is inefficiency. This holds back growth and equity, further concentrating wealth into the hands of a privileged few. There is a rent-seeker culture rather than an environment of innovation around business in the country.

With the robber baron class so integrated with the ruling classes, this sinister institution plaguing the Malaysian nation state and economy will be almost impossible to dismantle.

Even if the top corporations were taken out of the hands of the elite, it would take many years to clean up the agencies and ministries run by the minions who are profiteering without restraint. Even if the MACC wasn't corrupt itself, it would need massive resources and incorruptible officers to sweep out Malaysia's institutions of government. Without a strongly moral based education system to teach the next generation that corruption is evil and against every religion, the cause is a hopeless one.

The personal wealth of former prime minister Mahathir Mohamed's children is rarely questioned, as are other former politicians. Mirzan, Mokhzani, Mukhriz, and Marina are all extremely wealthy with significant assets and seats on company boards. Other members of the extended family control listed

companies in construction and hotels. Former prime minister Hajib Razak's family has great wealth and involved across many businesses, and many former ministers and high ranking civil servants have substantial business interests.

One can see the reluctance of the government to pursue any hints of corruption with impunity, as we see with the half-heartedness in the investigation of former Bank Negara Malaysia governor Zeti Akhtar Aziz. It's amazing Malaysia is still placed 62 on the Transparency International Corruption Perceptions Index 2021. Expect Malaysia's ranking to continue falling.

Malaysia's Deep Corruption
The evolution of the Malaysian Deep State

Murray Hunter

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Murray Hunter

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Now he is taking the easy life as an associate professor at University Malaysia Perlis. Murray spends half his time in Thailand and the other half looking for opportunities in Malaysia. Murray is passionate and deadly earnest about entrepreneurship and believes everybody should have the chance to "have a go".

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